

**PUNJAB STATE ELECTRICITY BOARD**  
**OFFICE OF THE CHIEF ENGINEER/ ARR & TR,**  
**DIRECTORATE TARIFF REGULATION (FINANCE), PATIALA**

To

The Secretary,  
Punjab State Elec. Regulatory Commission,  
SCO No. 220-221, Sector-34-A,  
Chandigarh.

Memo No. \_\_\_\_\_465\_\_\_\_\_ /CC/DTR /228

Dated \_\_\_\_\_19\_/3/2009

**Sub: Aggregate Revenue Requirement/ Tariff Petition filed by PSEB for the year 2009-10.**

The Punjab State Elec. Board has submitted Tariff Petition for FY 2009-10 on 29.12.2008 which has been admitted by the Hon'ble Commission vide its order dated 27.2.2009.

In this regard, it is submitted that revenue at the existing tariff for the year 2008-09 and 2009-10 has been inadvertently overstated in the ARR by Rs. 263 Crore ( Rs.9131 -RS.8868 Crore ) and Rs. 294 Crore (Rs.9634 – Rs.9340 Crore ) respectively. This has resulted in under projection of cumulative revenue gap by Rs.557 Crore in the ARR for 2009-10.

While calculating the revenue gap in the ARR, the employees cost for the year 2008-09 & 2009-10 (Page-47 of ARR) has been shown without taking into account the impact of the pay revision arrears likely to be worked out as per recommendations of the 5th Pay Commission. The amount of arrears works out to Rs.1008 Crore.

Accordingly, the revenue gap after taking in to account the revised revenue for the years 2008-09 & 2009-10 and considering the impact of Rs.1008 crore for pay revision arrears during 2009-10, works out to Rs.2403 Crore for 2008-09 & Rs.4341 Crore for 2009-10 . The cumulative revenue gap for the years 2007-08, 2008-09 & 2009-10 now works out to Rs.8546 Crore instead of Rs.6980 Crore as stated in the ARR.

The following tables/formats have been revised and may be considered while processing the ARR:-

- (i) Table 11.1 Employees cost details (Page-47 of Vol.I ).
- (ii) Table 23.1 Aggregate Revenue Requirement. (Page -75 of Vol.I ).
- (iii) Table 24.1 Revenue gap. (Page-76 of Vol.I ).
- (iv) Format 8 Employees cost (Actuals) (Page-22 of 53 of the formats of Vol.I).
- (v) Format 27 Revenue from existing tariff (Page 44 of 53 of formats of Vol.I ).
- (vi) Format 28 A Annual Revenue Requirement for FY 2008-09. (Page-46 of 53 of formats of Vol.I ).
- (vii) Format 28 B Annual Revenue Requirement for FY 2009-10. (Page-47 of 53 of formats of Vol.I ).

The revised tables/ formats are enclosed.

Kindly read the petition with the changes as indicated above.

DA/As above.

-sd-

Chief Engineer/ARR & TR  
PSEB, Patiala.

## ANNEXURE A

1. Table 11-1: Employee Cost Details(page 47 of Volume I) may be read as follows:

<b>EMPLOYEE COSTS (Rs Cr)</b>	<b>FY 07-08</b>	<b>FY 08-09</b>	<b>FY 09-10</b>
	<b>Actuals</b>	<b>R E</b>	<b>Proj.</b>
<b>Salaries &amp; Allowances</b>			
Basic Pay	905	913	918
Overtime	8	8	9
Dearness Allowance	369	491	606
Fixed medical Allowance	29	31	32
Other Allowances	128	135	142
Bonus/ Generation Incentive	50	53	56
Medical Expenses Reimbursement	10	10	11
Other expenses	56	58	67
Workman's compensation	0	0	0
<b>Total</b>	<b>1,554</b>	<b>1,699</b>	<b>1,840</b>
Less: Capitalization	118	130	140
<b>Net Expenses</b>	<b>1,436</b>	<b>1,569</b>	<b>1,700</b>
<b>Salaries &amp; Allowances - Total</b>	<b>1,436</b>	<b>1,569</b>	<b>1,700</b>
<b>Terminal Benefits</b>			
Basic Pension (Incl Commutation of Pension)	367	419	471
Gratuity	91	96	101
Earned Leave Encashment	59	62	65
Fixed medical Allowance	12	15	16
Medical Reimbursement	4	6	7
L.T.C.to retirees	2	3	3
P.F. share of workcharged staff	11	8	9
<b>Terminal Benefits- Total</b>	<b>546</b>	<b>609</b>	<b>671</b>
<b>Past Pay Commission Arrears</b>			<b>1,008</b>
<b>BBMB Share</b>	<b>53</b>	<b>65</b>	<b>75</b>
<b>Gross Employee Costs</b>	<b>2,035</b>	<b>2,244</b>	<b>3,455</b>

2. Table 23-1: Aggregate Revenue Requirement (page 75 of Volume I) may be read as follows:

<b>Annual Revenue Requirement (Rs Cr)</b>	<b>FY 07-08</b>	<b>FY 08-09</b>	<b>FY 09-10</b>
	<b>Actuals</b>	<b>R E</b>	<b>Proj.</b>
<b>Costs</b>			
Fuel	2,625	2,749	3,047
Power Purchase	6,020	6,507	7,265
Employee	2,035	2,244	3,455
Repairs & Maintenance	294	354	407
Admin & General	70	72	76
Interest	858	1,207	1,586
Depreciation	665	722	970
Extra Ordinary Items & Other Debits	5	5	5
Fringe Benefit Tax	5	5	6
Add: Prior Period (Debit/Credit)	(111)	19	-
<b>Total Costs</b>	<b>12,466</b>	<b>13,884</b>	<b>16,815</b>
Add: Reasonable Return/Return on Equity	412	412	412
Less: Non-Tariff Income	444	424	444
<b>Annual Revenue Requirement</b>	<b>12,435</b>	<b>13,872</b>	<b>16,783</b>

3. Table 24-1: Revenue Gap (page 76 of Volume I) may be read as follows:

<b>Revenue Gap (Rs. Crs)</b>	<b>FY 07-08</b>	<b>FY 08-09</b>	<b>FY 09-10</b>
	<b>Actuals</b>	<b>R E</b>	<b>Proj.</b>
<b>Annual Revenue Requirement</b>	<b>12,435</b>	<b>13,872</b>	<b>16,783</b>
<b>Covered by Revenue@Existing Tariff</b>			
Revenue @ Existing Tariff	7,785	8,868	9,340
AP Consumers			2,808
SC DS Consumers			282
Non SC BPL Consumers			12
<b>Total Revenue @ Existing Tariff</b>	<b>7,785</b>	<b>8,868</b>	<b>12,442</b>
<b>Add: Govt. Subsidy</b>			
GoP Subsidy to Agriculture	2,284	2,480	
Domestic Subsidy	271		
Govt Subsidy for tariff increase of other categories	293		
Past Subsidy & Interest Payable by GoP		122	
<b>Total Govt. Subsidy</b>	<b>2,848</b>	<b>2,602</b>	<b>-</b>
<b>Revenue @ Existing Tariff + GoP Subsidy</b>	<b>10,633</b>	<b>11,470</b>	<b>12,442</b>
<b>Revenue Gap/(Surplus)</b>	<b>1,802</b>	<b>2,403</b>	<b>4,341</b>
<b>Cumulative Revenue Gap/(Surplus)</b>	<b>1,802</b>	<b>4,205</b>	<b>8,546</b>

4. Format 8: Employee Cost (page 22 of 53 of Formats of Volume I) may be read as follows:

**PUNJAB STATE ELECTRICITY BOARD**  
**ANNUAL REVENUE REQUIREMENT FOR THE YEAR 2009-10**  
**Format-8**  
**Employee Cost (Actuals) (Rs. in crores)**

Sl. No.	Item	FY 2007-08	FY 2008-09	FY 2009-10
1	2	Actual	Total	Estimates
1	2	5	8	9
<b>A</b>	<b>Salaries &amp; Allowances</b>			
1	Basic Pay	905	913	918
2	Overtime	8	8	9
3	Dearness Allowance	369	491	606
4	Fixed medical Allowance	29	31	32
5	Other Allowances	128	135	142
6	Bonus/ Generation Incentive	50	53	56
7	Medical Expenses Reimbursement	10	10	11
8	Other expenses	56	58	67
9	Workman's compensation	0	0	0
10	Total (1 to 9)	1554	1699	1840
11	Amount Capitalized	118	130	140
12	Net amount	1436	1569	1700
<b>B</b>	<b>Terminal Benefits</b>			
1	Basic Pension (Including Commutation of Pension)	367	419	471
2	Gratuity	91	96	101
3	Earned Leave Encashment	59	62	65
4	Fixed medical Allowance	12	15	16
5	Medical Reimbursement	4	6	7
6	L.T.C.to retirees	2	3	3
7	P.F. share of work charged staff	11	8	9
	<b>Total (1 to 7)</b>	<b>546</b>	<b>609</b>	<b>671</b>
<b>C</b>	<b>Past Pay Commission Arrears</b>			<b>1008</b>
<b>D</b>	<b>BBMB share</b>	<b>53</b>	<b>65</b>	<b>75</b>
	<b>GROSS TOTAL:(A+B+C)</b>	<b>2035</b>	<b>2244</b>	<b>3455</b>

5. Format 28A: ARR (page 46 of 53 of Formats of Volume I) may be read as follows:

**PUNJAB STATE ELECTRICITY BOARD**  
**ANNUAL REVENUE REQUIREMENT FOR THE YEAR 2009-10**  
**Format-28A**  
**Annual Revenue**  
**Requirement for FY 08-09** (Rs. in crores)

Sr. No.	Item of expense	Proposed by the Board	Revised by the Board	Approved by the Commission	Actuals as per Accounts
1	2	3	4	5	6
1	Cost of fuel	2978	2749	2743	
2	Cost of power purchase	5560	6507	4186	
3	Employee costs	2225	2244	1774	
4	Fringe Benefit Tax	5.20	5.25	4.56	
5	R&M expenses	398	354	323	
6	Administration and general expenses	90	72	79	
7	Depreciation	783	722	783	
8	Interest charges	1395	1207	767	
9	Carrying Cost of Gap			102	
10	Add Prior Period Expenses		19		
11	Extraordinary Items & Other Debits	7.68	4.81		
12	Total revenue requirement	13443	13884	10763	
13	Return on Equity	413	412	412	
14	Less: non tariff income	342	424	412	
15	<b>Net revenue requirement</b>	<b>13514</b>	<b>13872</b>	<b>10763</b>	
16	Revenue from Existing tariff	11398	8868	11231	
17	Govt Subsidy		2480		
18	Past Subsidy & Interest Payable by GOP		122		
18	Gap	2116	2403	-468	
19	Gap for FY 07-08	3139	1802	718	
20	<b>Total gap</b>	<b>5254</b>	<b>4205</b>	<b>250</b>	
21	Revenue surplus carried over				
22	Additional revenue from proposed tariff				
23	Regulatory asset				
24	<b>Energy sales (MU)</b>	<b>33315</b>	<b>32509</b>	<b>32632</b>	

6. Format 28B: ARR (page 47 of 53 of Formats of Volume I) may be read as follows:

**PUNJAB STATE ELECTRICITY BOARD**  
**ANNUAL REVENUE REQUIREMENT FOR THE YEAR 2009-10**  
**Format-28B**  
**Annual Revenue**  
**Requirement for FY 09-10** **(Rs. in Crores)**

<b>Sr. No.</b>	<b>Item of expense</b>	<b>Proposed by the Board</b>	<b>Revised by the Board</b>	<b>Approved by the Commission</b>	<b>Actuals as per accounts</b>
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>
1	Cost of fuel	3047			
2	Cost of power purchase	7265			
3	Employee costs	3455			
4	R&M expenses	407			
5	Administration and general expenses	76			
6	Depreciation	970			
7	Extraordinary Items & Other Debits	4.81			
8	Fringe Benefit Tax	6			
9	Interest charges	1586			
10	<b>Total Cost</b>	<b>16815</b>			
11	Return on Equity	412			
12	Less: non tariff income	444			
<b>13</b>	<b>Annual Revenue Requirement</b>	<b>16783</b>			
14	Revenue from Existing tariff	9340			
15	Gap	7443			
16	Govt Subsidy	3102			
17	Gap for 2007-08 & 2008-09	4205			
18	<b>Total gap</b>	<b>8546</b>			
19	Additional revenue from proposed tariff				
20	Regulatory asset				
21	<b>Energy sales (MU)</b>	<b>35,819</b>			

7. Format 27: Revenue from Existing Tariff (page 44 of 53 of Formats of Volume I) may be read as follows:

**PUNJAB STATE ELECTRICITY BOARD  
ANNUAL REVENUE REQUIREMENT FOR THE YEAR 2009-10**

**Format-27**

**Revenue from existing Tariff**

**(Rs. in Crores)**

Sl. No	Category of consumers	Energy Sales MU	Tariff Rates (p/unit)	Revenue (Rs in Cr)	Energy Sales MU	Tariff Rates (p/unit)	Revenue (Rs in Cr)	Energy Sales MU	Tariff Rates (p/unit)	Revenue (Rs in Cr)
1	2	3	4	5	6	7	8	9	10	11
	Year	2007-08			Year 2008-09 (RE)			Year 2009-10 (Projected)		
<b>1</b>	<b>Domestic</b>									
a)	Up to 100 units	3639	178	647	3752	240	900	4033	240	968
b)	101-300 units	1880	316	593	1265	391	495	1344	391	526
c)	Above 300 units	972	365	355	1002	413	414	1084	413	448
	<b>Total</b>	6491	246	1595	6019	301	1809	6462	300	1941
<b>2</b>	<b>NRS</b>	1919	394	756	2067	490	1013	2320	490	1137
<b>3</b>	<b>Public Lighting</b>	140	429	60	147	440	65	158	440	70
<b>4</b>	<b>Industrial Consumers</b>									
a)	SP	738	318	235	731	358	262	741	358	265
b)	MS	1579	358	565	1555	396	616	1590	396	629
c)	LS	8733	366	3198	9081	395	3587	9812	395	3876
	<b>Total</b>	11050		3998	11367		4464	12143		4771
<b>5</b>	<b>Bulk Supply</b>	496	359	178	501	400	200	525	400	210
<b>6</b>	<b>Grid Supply</b>	5	308	2	6		2	6		2
<b>7</b>	<b>Railway Traction</b>	113	392	44	118	470	55	118	470	55
<b>8</b>	<b>Common Pool</b>	302		83	303		84	302		83
<b>9</b>	<b>Outside State</b>	1576		806	1541		923	1307		798
<b>10</b>	<b>Total</b>	22093		7523	22069		8615	23342		9068
<b>11</b>	<b>AP Consumption</b>	10030		18	9766		0	11699		0
<b>12</b>	<b>Total</b>	32122		7541	31836		8615	35041		9068
<b>13</b>	<b>Add MMC,PLEC and other charges</b>			243			253			272
<b>14</b>	<b>Grand Total</b>	<b>32122</b>		<b>7785</b>	<b>31836</b>		<b>8868</b>	<b>35041</b>		<b>9340</b>